

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Winthrop Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 4, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on September 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a revision to the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Winthrop Retirement System
January 1, 2019 Actuarial Valuation

Total appropriation increasing 4.0% until FY29 with final amortization payment in FY30

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Amort. of 2003 ERI</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Total Cost % Increase</u>
2020	1,735,432	230,000	1,631,784	53,232	3,650,448	14,826,614	
2021	1,813,526	230,000	1,752,940		3,796,466	14,081,607	4.0%
2022	1,895,135	230,000	1,823,189		3,948,325	13,212,581	4.0%
2023	1,980,416	230,000	1,895,841		4,106,258	12,208,393	4.0%
2024	2,069,535	230,000	1,970,973		4,270,508	11,057,042	4.0%
2025	2,162,664	230,000	2,048,664		4,441,328	9,745,601	4.0%
2026	2,259,984	230,000	2,128,997		4,618,981	8,260,156	4.0%
2027	2,361,683	230,000	2,212,057		4,803,741	6,585,732	4.0%
2028	2,467,959	230,000	2,297,931		4,995,890	4,706,214	4.0%
2029	2,579,017	230,000	2,386,709		5,195,726	2,604,270	4.0%
2030	2,695,073	230,000	264,201		3,189,274	261,256	-38.6%
2031	2,816,351	230,000			3,046,351	0	-4.5%

All amounts assume payments will be made September 1 of each fiscal year.

Normal cost includes expenses of \$450,000 and is assumed to increase 4.5% each year.

FY20 appropriation was maintained at the same level as the prior schedule.